

Agency Bid Number 1553 DHCF-EG

**State of Wisconsin
Request for Proposal (RFP)
for Electronic Benefit Transfer Services
Questions/Issues**

Section 2.2.2, Pages 26-28 - Subcontractor Qualifications and Experience

1aQ. “Are subcontractors identified in the proposal as +10% considered approved upon award or do they have to be separately approved by the State even if they currently provide services to other state projects? Please clarify.”

1aA: Regardless of any other contracts which a potential subcontractor might currently hold or enter into with the State in other projects, the Contractor must seek prior approval as specified in the RFP to use that same subcontractor in the Wisconsin EBT Program.

1bQ. “Regarding the contract language requirements on pages 27 and 28; for existing subcontractors, generic language in our current subcontracts sufficient that provides for any state agency to have access to records necessary to conduct audits and performance reviews and that any representations and warranties on the Contractor also apply to the subcontractor rather than the specific ‘Wisconsin DHFS’ language?”

1bA: As stated in the RFP, the language regarding access to subcontractors’ records must be used verbatim in all subcontracts entered into under the Contract. No exceptions are allowed.

1cQ. “Since this is a fixed price contract, please clarify the provision to allow the State to require the Contractor to ‘competitively acquire’ services?”

1cA: The term ‘competitively’ is meant to encompass qualitative as well as cost issues. It is true that the fixed price of the Contract would not be altered due to a change in subcontractors mandated by the State. Depending on the significance and scope of the subcontract in question, however, the State may have an interest in mandating a competitive process in order to secure the highest quality services. The requirement will remain as stated in the RFP.

Section 2.3.6.2.4, Page 42 - Remedial Changes/Section 2.3.6.2.8, Page 44 - Changes Initiated by the Contractor

“Remedial changes as defined in these sections include those changes that will need to be made immediately.”

2Q. “Per the RFP, if the Contractor identifies the problem, it would have to notify the state prior to fixing the problem and the State would have 10 business days to respond and then could in effect set the date for the fix or deny the Contractor the right to make changes to our System. This could result in weeks passing without the remedial change being made. Since most of these type changes need to be made immediately and the System is shared among multiple state projects, this is an unworkable approach and would adversely affect both the Contractor and the State. Will the State reconsider this requirement and provide for the Contractor

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proceeding with the fix and then providing notice of the fix within 1-3 days if testing is not required and prior if testing with the State is required?"

2A: The State recognizes that emergencies do arise and issues may need to be corrected immediately. The State will do everything possible to speed along emergency fixes, but must receive prior notification. The Contractor may implement emergency fixes to correct issues affecting the EBT System's performance; however, the Contractor's Project Manager is required to notify the State prior to implementing any fix, including emergencies. All other non-emergency changes are required to follow the process outlined in Section 2.3.6.2.4 and 2.3.6.2.8 of the RFP.

Section 2.3.6.2.10, Page 45 - Change Hours Included in CPCM

"The cost of 1000 change hours as defined will add a substantial amount to the price. In our experience, the most hours that we have seen defined in a RFP is 300."

3aQ. "Will the state consider lowering the number of hours that are required to be available on an annual basis?"

3aA: The number of Change Hours Included in the CPCM will be reduced to 500.

******THIS CHANGE IS REFLECTED IN AMENDMENT 1 TO THE RFP
DATED JUNE 30, 2006******

3bQ. "If the cost of personnel time is not to be included in these hours, what is to be included since analyst and developer time is the largest components of change orders? If not charged to these hours, would the cost of personnel time then be billed directly to the state?"

3bA: The Contractor is able to include the cost of personnel time against the pool of hours for State initiated requests. The Contractor cannot apply personnel time against the pool of maintenance hours for fixes and enhancements initiated by the Contractor, including work to maintain System functionality under the terms of the Contract. The costs for these hours should be included within the CPCM.

Section 3.0, Page 53 - Technical Environment

4aQ. "The first sentence identifies that the contractor must support host-to-host processing. Since the State does not use host-to-host connections with their current EBT contractor, is the State anticipating changes here?"

4aA: The host-to-host processing requirement specifically refers to the client Internet access portal described in Section 3.11.

4bQ: "Would the state please explain what it means by 'client to host' and file transfer (other than batch or on-line) in the context of this statement?"

4bA: "Client to host" refers to administrative terminal (client) connectivity to the EBT Processor Host Computer (Host). File transfer refers to the transmission of files between the State and the Contractor.

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Section 3.3.5, Second paragraph, Page 62 - Card Issuance

5Q: “Would the State please identify every benefit program currently administered under the CARES umbrella?”

5A: The CARES system is used to determine eligibility for: FoodShare, Medicaid, Child Care, Wisconsin Works (W-2), the Caretaker Supplement program (for SSI Parents), and SeniorCare (Prescription drug program for 65+).

Section 3.3.5.1, Initial Card Issuance, Page 63 and Section 3.3.5.2, Page 63 - Replacement Card Issuance

6Q: “Per section 3.3.5.1, initial cards require a card activation sticker instructing the client on how to activate the card. Section, 3.3.5.2, requires replacement cards to have the same requirements as identified in the initial card section 3.3.5.1. Wisconsin replacement cards are currently sent out active. Would the State please explain how the activation sticker applies to the replacement cards or if there is an anticipated change to send out replacement cards inactive.”

6A: The activation sticker is not required on replacement cards.

Section Number 3.5, Page 66 - EBT Training

“The RFP notes that ‘The Contractor must also be responsible for providing training to State trainers, as requested’.”

7Q. “How does the State require this requested service to be priced?”

7A: Initial training of State staff on the EBT system should be included in the conversion costs. Subsequent training requested by the State will be deducted from the pool of 500 hours available for changes annually.

Section Number 3.5.3, Page 69 - Training Materials for State and Local Agencies

“The RFP notes that ‘The Contractor must develop and provide EBT System training materials for staff of State and local agencies’.”

**8Q. “In what media form would the State prefer these materials?
Are the quantities noted in Attachment G-1 the desired quantities for these materials?”**

8A: The State's media preference is electronic (in MS Word format). No hard copies are required.

Section 3.7.1.1, Page 73 – Automated Response Unit (ARU)

9Q. “Other than English and Spanish, what additional languages does the State expect would need to be supported by translation services? Please clarify.”

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9A: The State expects support, as is currently provided, for Hmong, Laotian, Russian, and Serbian, in addition to English and Spanish.

Section 3.8.3.4, Page 83 - Stand-in Processing

10Q: “Since FNS Regulations require that an authorization be obtained by the retailer when a retailer cannot access the System due to it being unavailable, what protocol does the State have in mind other than speaking to a CSR for that authorization that would comply with FNS regulations?”

10A: FNS Regulations allow for a manual purchase system when the EBT system is inaccessible. As it is not practical to staff the CRC to answer all incoming retailer calls during a system outage of the EBT System, the State envisions the Retailer ARU will have a message stating the System is currently inaccessible, and providing a default authorization number during the outage. The Contractor must work out the details of this process.

Section 3.8.3.8, Page 84 - Reversals and Attachment D, Page D-6 #19 - Transactions

11aQ: “As pointed out in the RFP, a reversal is a response by the host to correct a transaction that did not complete for some reason and to ensure the return of the funds to the cardholder’s account. Reversals are also required in appropriate circumstances by FNS, ISO 8583 and the Quest Rules. Since the Contractor rarely has control over the circumstances that may cause a reversal and most certainly has no control over transactions initiated at a TPP or other retailer locations, how does the State envision that the Contractor limit reversal transactions to 1% (or any specified number) of the total transactions?”

11aA: The requirement is amended to state that “Reversal transactions generated in any given month due to EBT System issues/problems (e.g., late responses) must not exceed one percent (1%) of all transactions.”

11bQ: “In view of the above, will the State delete the performance standard and liquidated damages set out in #19 in Attachment D?”

11bA: Please see Amendment 5 for changes in the requirements and for revisions to the Performance Standard and Deficiency Measurement.

*****THESE CHANGES ARE REFLECTED IN AMENDMENT 5 TO THE RFP
DATED JUNE 30, 2006*****

Sections 3.9.2, Page 87 - Service Requirements (FNS Standards) and Attachment D, Page D-5, #16 and #17 - Transactions

12Q. “As the State and FNS is aware, there is no possible way to comply with the dial up POS terminal driving performance standards of 100% processing of transactions within the time frames in the Regulations. Understanding this and the need to comply with the Regulations, will the State address and take this issue into consideration as other projects have done and make the Liquidated Damages applicable only when such compliance does not occur 99% of the time (vs. 100%)

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for leased line communications (#16) and 98% of the time (vs. 100%) for dial up systems (#17)?”

12A: This is an FNS requirement and, as such, will not be modified.

Section 3.9.2.2, first bullet, Page 89 - Third Party Processors (TPP)

13Q. “In our experience, no TPP currently complies with this requirement and most have simply refused to do so because of the cost associated with it. If we enforce the requirement and the TPP refuses to comply, what should the Contractor do at that point in trying to contract with the TPP?”

13A: This is an FNS requirement and, as such, will not be modified. TPP processors who refuse to comply with this requirement should be reported to the State, who in turn will notify the FNS Regional Office for resolution.

Section 3.10.1.4, Page 91 - Security Administration

14Q: “What is the CWW referenced in this section and the next?”

14A: “CWW” refers to CARES Worker Web; the web front-end to the State’s legacy eligibility system (see Sections 3.0.1 and 3.0.1.1).

Section 3.10.1.5, Page 91 - Functionality

15Q: “Would the State please provide the functionality of CWW that we are expected to integrate with?”

15A: The intent of Section 3.10.1.5 is to indicate the State’s desire to have Administrative Terminal functionality be integrated as far as possible with CWW (see 14A). Specific functionality will be addressed during the Development Phase.

Section 4.2, Page 122 - CPCM Pricing Schedule

16Q: “In our experience, allowing 20 calls per cardholder per month has no impact on cost. Would the State consider a limit of 8 or less which could have an impact as the State is seeking?”

16A: The State will not consider altering this requirement at this time.

Schedule IV-2, Page 127 - Pricing for Wallet Cards

“In Section 3.5.1, Client Training, it is noted that ‘Respondents may choose to produce the printed training materials using one of the three options described below...’ “

17Q: “In the pricing table all three variances are noted as requested information. Does the State wish to see the three alternatives described in 3.5.1; and priced in Schedule IV-2; or just one of the three options?”

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17A: Respondents may choose one, two, or all three options to incorporate into their Proposals. The chosen option(s) is/are to be priced separately on Schedule IV-2.

Attachment D, #10, Page D-3 – Card Issuance

18Q: “What process would the State take to determine if a card is defective?”

18A: Cards are determined to be “defective” if the State agency determines, or receives reports from local agencies, retailers or cardholders, that indicate a batch of cards received from the Contractor is damaged, malfunctions during the PIN selection process at an on-site PIN-select device, or malfunctions upon initial use at a functioning POS terminal.

Attachment D, #14, Page D-4 – Benefit Authorization

19Q: “Should the Deficiency and Measurement read ‘Inaccurate posting to the recipient’s account of benefit information received “from the” state’? Please clarify.”

19A: The State will amend this language to read “Inaccurate posting to the recipient’s account of benefit information received from the State”.

*****THIS CHANGE IS REFLECTED IN AMENDMENT 6 TO THE RFP
DATED JUNE 30, 2006*****

Attachment D, Page D-8, #23, #24, #25 and Page D-9, #26, #27 - Customer Service

20aQ: “What is the length of the period of time to be randomly selected?”

20aA: The length of time will be defined by the State post award in cooperation with the selected Contractor.

20bQ: “How would a ‘failure’ be defined within that period of time (one call, all calls, etc.) for the purposes of applying the dollar penalty?”

20bA: Failure (non-compliance), as defined in the table, applies to all calls reviewed during the defined time period.

20cQ: “Will the State consider an average over a month as a reasonable period of time?”

20cA: The period of time will be defined by the State post award in cooperation with the selected Contractor.

Attachment D, Page D-10, #29 – POS Equipment

“FNS does not allow a Contractor to activate a newly authorized retailer or provide access until a retailer agreement is signed. If a retailer agreement is provided to the retailer immediately after the notice from FNS but the retailer does not (as often happens) return the agreement on a timely basis, it is unfair to penalize the Contractor for the lack of action by the retailer.”

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21Q: “Will the State agree to change the Deficiency and Measurement for this item to ‘providing access to the system within 10 days of receipt of a signed retailer agreement assuming that the retailer agreement was sent to the retailer within 2 days of notice by FNS’?”

21A: Rather than amending the Deficiency and Measurement for this item, the State will change (by amendment) the liquidated damages portion to hold the Contractor blameless when the failure to meet the timeline is the fault of the retailer for not returning the agreement timely.

*****THIS CHANGE IS REFLECTED IN AMENDMENT 7 TO THE RFP
DATED JUNE 30, 2006*****

Attachment D, Page D-11, #32 – State Requested Information

22Q: “Dependent on the amount of history requested and its age, providing ‘all information requested for evidentiary purposes within 24 hours of receipt of the request’ could be very hard to achieve. Would the State consider limiting the 24 hour requirement to historical information not older than 3 years and provide a longer period for requested information older than 3 years?”

22A: Please note that this requirement applies only to Fraud Investigations. The State will not entertain alterations to the wording or the implicit standards of this requirement.

Section 2.3.4, page 33 - Development Phase

23Q: “This RFP section states: ‘The Development Phase will commence after completion of the Design Phase and must be completed no later than 9 months after contract signing.’ Since many of the deliverables in the Design Phase are not due until 3-6 months after contract signing, would the State agree that the Development Phase can overlap the Design Phase?”

23A: Yes.

Section 2.6.1, page 51 - Non-Compliance with Performance Standards or Contract Requirements

24Q: “What is the average yearly amount of liquidated damages assessed by the State for non-compliance during the current Contract?”

24A: Since full implementation of the current contract, the average yearly liquidated damages assessed have been \$3,250.

Section 3.3.2, page 61 – Card Design

25Q: “This RFP section states: ‘The Contractor must be able to begin operations immediately upon contract signing without replacing existing cards or disrupting clients’ access to benefits.’ Would the State please clarify if ‘immediately upon contract signing’ should be replaced with ‘immediately upon conversion’.”

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25A: The State will amend this language to “immediately upon conversion to the new contract”.

*****THIS CHANGE IS REFLECTED IN AMENDMENT 2 TO THE RFP
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Section 3.3.5, page 62 – Card Issuance

26Q: “Please provide the average number of new and replacement cards mailed each month and the number of cards issued over the counter.”

26A: During the reporting period referenced in attachment G-2 there were approximately 4,356 new cards issued per month. The replacement cards are listed in attachment G-6 and the over-the-counter or vault cards are listed in attachment G-2.

Section 3.3.5.3, page 64 – Timeframe Requirements

27Q: “This RFP section states cards must ‘be delivered by direct mail through the USPS’ and that ... ‘the card [be] placed in the mail no later than the next calendar day.’ Would the State agree to change ‘next calendar day’ to ‘next business day’ to conform to USPS’s delivery schedule?”

27A: For clarification, the State will amend this to “no later than the next USPS business day”.

*****THIS CHANGE IS REFLECTED IN AMENDMENT 3 TO THE RFP
DATED JUNE 30, 2006*****

Section 3.14.3, page 110 – extension of Benefits to Affected Populations

28Q: “This RFP section states: ‘The State will not create a unique benefit type for disaster benefits.’ and ‘The Contractor must identify and track disaster benefits cases and issuances.’ Is it the State’s intent that these cases be tracked based on vault card issuance only?”

28A: Yes.

Attachment G-8, page G-8 – Historical Recipient Help Desk Data

29Q: “Attachment G-8 provides historical recipient help desk data. Would the State also please provide the number of ARU and CSR Retailer Help Desk calls?”

29A: Based on statistics reported to the State, there were 9,749 retailer calls to the ARU in October 2005. During this same period, as referenced in attachment G-8, an average of 379 retailer calls reached a customer service representative. The merchant (retailer) totals are included in attachment G-8.

RFP Section 1.8, page 9 - Proposal Evaluation Process

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30Q: “Does the 5% weighting factor apply just to proposals submitted by certified MBEs or is there any weighting given to Respondents that incorporate MBE subcontractors into their proposals?”

30A: The 5% weighting factor applies only to the primary Respondent.

RFP Section 3.3.5.1, page 63 - Initial Card Issuance

31Q: “Would the State consider removing the requirement for a card activation sticker and card activation call, if the Respondent can offer a PIN selection process that also activates the card?”

31A: The requirement as written will remain in place.

RFP Section 3.3.5.3, page 64 - Timeframe Requirements

32Q: “On average, how many cards are shipped overnight by the current vendor?”

32A: Since full implementation of the current contract, the average number of cards shipped overnight is 88.

RFP Section 3.7, page 72 - Customer Service

33aQ: “Where is the Client Customer Service Call Center located today?”

33aA: Chicago, Illinois and Tampa, Florida.

33bQ: “Is there any legislation currently in Wisconsin mandating the location of the call center?”

33bA: No.

33cQ: “Is there any legislation anticipated?”

33cA: Not that the agency is aware of at this time.

RFP Section 3.7.1.4, page 75 - Functional Requirements

34Q: “Regarding the reference to ‘specific locations,’ does the State intend for CSRs to provide location information including store name, street address, and city where cardholders may access their benefits?”

34A: Yes.

General Question

35Q: “How many POS transactions are processed each month on average? How many of these originate from EBT-only terminals?”

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35A: For the reporting period of 11/04 thru 10/05, an average of 1,022,267 POS transactions, were processed each month. This figure does not include the 82,505 denied transactions per month. Data is unavailable as to the number of transactions processed on EBT-only terminals.

General Question

36Q: “Would the State please confirm the current Cost Per Case Month?”

36A: The Cost Per Case per Month (CPCM) is variable by tier as illustrated in Schedules IV-I-A and IV-I B. For the most recent case month on record the CPCM is \$1.829 per case.

General Question

37Q: “Would the State please confirm the number of payphone calls placed to the Customer Service Call Center on average each month?”

37A: For the reporting period of 11/04 thru 10/05 the Customer Service Call Center averaged 14,139 payphones calls per month. For the period of 11/05 through 4/06, the Customer Service Call Center has averaged 11,366 payphone calls per month.